

In Congress, January 13, 1779

***In* CONGRESS, JANUARY 13, 1779.**

WE cannot review the progress of the revolution which has given freedom to America, without admiring the goodness and gratefully acknowledge the interposition of Divine Providence. Oppressed by the Prince who ought to have exerted himself for our protection, and suddenly called upon to repel his unprovoked invasion,—without arms or ammunition, without military discipline or permanent finances, without an established government or allies; enfeebled by habitual attachments to our very enemies—We were precipitated into all the expensive operations incident to a state of war, with one of the most formidable nations on earth. Thus surrounded on all sides with wants and difficulties and dangers, notwithstanding the internal wealth of our country, immediate taxation was impracticable; and, for the same reason of ill success at different periods, we could not hope, either at home or abroad, to borrow money to supply our exigencies.

Humbly relying on the favor of Heaven in a righteous cause, and confiding in the justice and intrepidity of our injured fellow citizens, we, from necessity, embraced the expedient of emitting paper money on the faith of the United States, for the expences of the war—an expedient which had often been successfully practiced in separate States while we were subjected to British domination. The implacable vengeance with which we have been pursued has compelled us to the most strenuous and unremitted efforts: Large issues of money were of consequence indispensibly necessary, and the paper currency multiplied beyond what was competent for the purposes of a circulating medium. This alone could not fail to discredit it in some degree The arts of an unprincipled enemy have increased the mischief. In despair of subduing the free spirit of America by force of arms, or the intrigues of negotiation, as their last effort they have had recourse to fraud. Their emissaries have been employed in a variety of artifices to debase our money, and to raise the price of commodities. The fears and apprehensions of the people have been

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alarmed by misrepresentation; while our enemies of the highest rank have not hesitated to counterfeit the bills of credit and disperse them throughout the United States.

Such being the embarrassments which interrupt a free circulation of our paper money, they loudly call for a remedy; and Congress, from a regard to good faith, to private justice, and to public safety, are bound to apply it. Happily, by a combination of auspicious events, every obstacle is removed, and the means placed within our reach. Those hostile armies which attempted to enslave us, no longer formidable, are wasted and dispersed. Our independence is established on a firm basis; our respective Governments which compose the Union, are settled and in the vigorous exercise of uncontrouled authority. An Alliance, on terms of perfect equality, is formed with one of the greatest nations on earth; and, freed in a high degree from external assaults, we have leisure to direct our attention to economy, and our resources to support the public credit: To raise the value of our paper money, and to redeem it, will not, we are persuaded, be difficult; nor to check and defeat the pernicious currency of counterfeits, impracticable: Both require a far less share of public virtue and public vigilance than have distinguished this arduous conflict.

Without public inconvenience or private distress, the whole of the debt incurred in paper emissions to this day, may be cancelled by taxes: It may be cancelled in a period so limited and must leave the possessor of the bills satisfied with his security; and if by a continuance of the war the public service should demand further emissions, they too may be cancelled within the same period: It being evident that our ability to sustain a tax must encrease in proportion to the quantity of money in circulation.

The danger from counterfeits can only be avoided by calling in and exchanging the emissions which have chiefly suffered by that species of fraud. To publish the marks of detection, and still leave the true bills current, will not be prudent; as it must afford an opportunity for correcting defects and cheating more securely.

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To defend the emission intended for the exchange from counterfeits, the strongest guards will be devised; and it is expected that the marks of authenticity will be so obvious, and the difficulty imitation so great, as to discourage the attempt or elude its effects.

Upon these weighty considerations Congress have agreed to the annexed Resolutions, and recommend them to the immediate attention, of the respective Legislatures of the United States, to the end that Laws may be enacted to give them the most speedy, decisive, and effectual operation.

IN CONGRESS, January 2, 1779.

WHEREAS these United States, unprovided with revenues, and not heretofore in a condition to raise them have, in the course of the present war, repeatedly been under the necessity of emitting bills of credit, for the redemption of which the faith of these United States has been solemnly pledged; and the credit of which their honor and safety as well as justice is highly concerned to support and establish. And whereas to that end it is essentially necessary to ascertain the periods of their redemption; and seasonably to establish funds, which, in due time, without distressing the people, shall make adequate provision for the same. And whereas, in apportioning the payments for the said fund, it is expedient that an extra sum be called for the current year, both on account of the present ease of paying it and to reduce the surplus in circulation. Therefore

Resolved, That these United States be called on to pay in their respective quotas of fifteen millions of dollars in the year 1779, and of six millions of dollars annually for 18 years from and after the year 1779, as a fund for sinking the emissions and loans of these United States to the 31st day of December, 1778, inclusive.

That if the continuance and circumstances of the war shall make any further emissions necessary, the year ending, they shall be sunk in the manner and within the period aforesaid.

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That any of the bills emitted by order of Congress, prior to the year 1780, and no others, be received in payment of the said quotas.

That the bills received on the said quotas, except those for the year 1779, be applied first for payment of the interest, and secondly of the principal of loans made by these United States, prior to the year 1780, and that the residue, together with those received on the quotas of the year 1779, be not re-issued, but burned and destroyed as Congress shall direct.

And whereas many counterfeits have appeared in circulation, of various denominations, of the emissions of May 20, 1777, and April 11, 1778, and counterfeits of these emissions have lately been issued by our enemies at New-York, and are found to be spreading and increasing fast in various parts of these United States; whereby individuals are defrauded, prices enhanced, and the credit of the paper currency greatly injured; and it is become necessary for the security of individuals and safety of the public, that those two emissions should cease to be a circulating medium, and should be called in, and exchanged, or otherwise provided for as soon as may be with convenience to the present holders.

Therefore

Resolved, That the following bills be taken out of circulation, the whole emissions of May 20, 1777, and April 11, 1778.

That they be brought in for that purpose in the manner hereafter provided by the first day of June next, and not afterwards redeemable.

That they be received for debts and taxes into the Continental Treasury, and into the State Treasuries for Continental taxes, until the first day of June next.

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That they be received until the first day of June next, into the Continental Loan Offices, either on loan or to be exchanged, at the election of the owners, for other bills of the like tenor, to be provided for that purpose.

That the bills lodged in the said offices to be so exchanged, be there registered, and indented certificates thereof given to the owners by the respective Commissioners of the said offices.

That the Commissioners of the Loan-Offices make returns to the Treasury Board, immediately after the first day of June next, of the amount of the bills received into their respective offices to be exchanged as aforesaid, and that proper bills to exchange the same be furnished and ready to be delivered out at their said offices, within 60 days from and after the said first day of June.

That the first mentioned bills, as they are brought into the Treasuries and Loan Offices, be immediately crossed and struck through with a circular punch of one inch diameter, to be afterwards examined and burned, as Congress shall direct.

Extract from the minutes, CHARLES THOMSON, Secretary.

In CONGRESS, January 5, 1779.

RESOLVED, That the several States raise by taxes respectively as follows, for their quotas of the fifteen millions of Dollars for the year 1779. New-Hampshire 500,000 Massachusetts-Bay 2,000,000 Rhode-Island & Providence Plantations 300,000 Connecticut 1,700,000 New-York 800,000 New-Jersey 800,000 Pennsylvania 1,900,000 Delaware 150,000 Maryland 1,560,000 Virginia 2,400,000 North-Carolina, 1,090,000 South-Carolina, 1,800,000 Georgia being invaded, is hereafter to raise her proportion. 15,000,000

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That the said several sums, or any greater sums which shall be paid by any of the States into the Continental Treasury, shall be placed to their respective credits on interest, on the same terms as are set forth in the Resolution of Congress passed November 22d, 1777.

Extract from the Minutes, CHARLES THOMSON, Secretary.

In CONGRESS, January 14, 1779.

RESOLVED, That the Bills to be emitted for exchanging others, agreeable to the Resolutions of Congress the 2d instant, or for supporting the war, the ensuing year, be of the following denominations, viz. 65. 60. 55. 50. 45. 40. 35. 30. 20. 8. 7. 5. 4. 3 and 2. Dollars; and One Dollar.

That the Form of the Bills be as follows. No , Dollars. The bearer is entitled to receive Spanish Milled Dollars, or an equal sum in Gold or Silver, according to a Resolution of Congress of the 14th of January, 1779.

That each of the said Bills be numbered and signed by two persons.

That the faith of the United States be pledged for the Redemption of such Bills, on or before the first Day of January 1797 agreeable to the Resolutions of Congress aforesaid.

That for preventing the counterfeiting of the said Bills, new stamps with additional checks, be provided, and a sufficient number of proof-sheets struck, and sent with the Signatures of each Signer to the Assemblies of the respective States, to be lodged by them under proper Regulations in Public Offices in their several Counties, Towns and Districts, for the benefit of the inhabitants of the United States.

Extract from the minutes, CHARLES THOMSON, Secretary.

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